

Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Has the Company formulated an ethical management policy approved by the board of directors, and clearly stated the policies and practices of ethical management, and the commitment to actively implement management policies by the board of directors and senior management in the regulations, rules, and external documents?	V		(1) The company has established the “Ethical Corporate Management Best Practice Principles” to regulate its good faith policies. For employees, managers, and directors to acknowledge and follow these principles, the company organizes awareness programs on a regularly basis and monitors through the company’s internal control system.	None
(2) Has the Company established an evaluation mechanism for the risk of dishonest behaviors, regularly analyzed and evaluated business activities with a higher risk of dishonest behaviors in the business scope, and thus formulated a plan to prevent dishonest behaviors, which at least covered the preventive measures provided in Subparagraphs of Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?	V		(2) This company constructed effective accounting and internal control systems in response to business activities that are prone to greater risks of violating the good faith principles. In order to ensure that the system design and execution remain effective, there are no external or hidden accounts. Reviews may always be conducted.	None
(3) Has the Company clearly set out the operating procedures, behavior guidelines, punishment and complaint system for violations in the plan to prevent dishonest behaviors, and implemented and regularly reviewed and amended the aforesaid plan?	V		(3) The company’s “Ethical Corporate Management Best Practice Principles” clearly prohibits any acts of bribery, illegal political contributions, inappropriate charitable donations or sponsorships, and unreasonable gifts and treats. Any other inappropriate interest prevention programs and procedures are also regulated by the principles. These principles are advocated and explained to new employees upon their arrivals; relevant announcements and notifications are released to employees, managers, and directors periodically to enhance the concept of good faith and self-discipline.	None
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business	V		(1) The company avoids trading with any parties that have the records of violating the good faith principles in the past. The provision of good	None

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<p>contracts?</p> <p>(2) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management, and regularly (at least once a year) reported to the board of directors regarding its ethical management policy, its plan to prevent dishonest behaviors, and supervised the implementation status?</p>	V		<p>faith behaviors shall be clearly outlined in relevant commercial contracts.</p> <p>(2) momo has established the “Ethical Corporate Management Best Practice Principles” and disclosed such on the Company's official website and its internal employee portal. Such Principles have also been included in its internal control system, and the internal audit unit is responsible for auditing whether the enterprise has violated against ethical management internally and reports to the Board of Directors. The Corporate Governance Team under the Corporate Social Responsibility Committee of the Company is concurrently for the promotion of ethical corporate management. It is responsible for assisting the Board of Directors and management in formulating and supervising the ethical management policy and preventive schemes to ensure the implementation of the Ethical Corporate Management Best Practice Principles. It reports the implementation status and results to the Board of Directors on a yearly basis.</p> <p>2020 Implementation Status:</p> <p>A. Educational training:</p> <p>In order to ensure that all employees realistically understand and comply with the ethical corporate management principles, the Company includes in new recruits orientation the rule of law concepts, such as moral code of conduct and ethical corporate management guidelines, and schedules online courses annually to enhance the concept of integrity and self-discipline. Such courses cover Ethical Corporate Management Guidelines, moral code of conduct, conveyance of trade secrets, anti-corruption, and anti-bribery.</p>	None

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			<p>B. Annual tests:</p> <p>Tests are designed for online courses scheduled for in-service employees annually. All employees are required to complete the course and their scores must reach 80 to pass the test. 100% of the in-service employees during the span of the course of 2020 completed the online course and passed the test.</p> <p>The results of the 2020 implementation:</p> <table><tr><th>Organizer</th><th>No. of people</th><th>Session</th><th>hours</th><th>Total hours</th><th>Description</th></tr><tr><td>New recruits orientation (Physical courses)</td><td>717</td><td>50</td><td>3</td><td>2,151</td><td>100% of the reported new employees completed the orientation.</td></tr><tr><td>Ethical Corporate Management Best Practice Principles, moral code of conduct, conveyance of trade secrets, anti-corruption, and anti-bribery (online courses) for employees.</td><td>2,373</td><td>1</td><td>1</td><td>2,373</td><td>100% of in-service employees during the span of the course completed the online course and passed the test (Note).</td></tr></table> <p>(Note: Those taking the test were employees who were onboard before October 13, 2020 and were in-service during the span of the course.)</p> <p>C. Scheduled inspections:</p> <p>momo has explicitly stipulated in the Ethical Corporate Management Best Practice Principles preventive measures against and handling</p>				Organizer	No. of people	Session	hours	Total hours	Description	New recruits orientation (Physical courses)	717	50	3	2,151	100% of the reported new employees completed the orientation.	Ethical Corporate Management Best Practice Principles, moral code of conduct, conveyance of trade secrets, anti-corruption, and anti-bribery (online courses) for employees.	2,373	1	1	2,373	100% of in-service employees during the span of the course completed the online course and passed the test (Note).	
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			<p>procedures for offering and acceptance of bribes, offering illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents or hospitality, or other improper benefits. When engaging in commercial activities, it shall avoid engaging in transactions with those having a record of unethical conducts, and expressly specify in relevant commercial contracts provisions of ethical conducts. Every year all units shall carry out the self-assessment of compliance and internal control system to ensure effective controls and implementation. The Internal Audit Office shall conduct independent audits to ensure effective execution of the entire mechanism.</p> <p>D. A definite reporting mechanism:</p> <p>In order to implement momo’s rules governing moral code of conduct and Ethical Corporate Management Best Practice Principles, and encourage reporting of any illegal conducts or acts in violation against moral code of conduct and Ethical Corporate Management Best Practice Principles, momo has established the “Measures for Handling Cases of Illegal and Unethical or Dishonest Conduct” and disclosed such on the Company's official website and its internal employee portal. Such Measures have designated an authorized unit to accept whistle-blowing cases, whistle-blowing channels, and handling procedures, and established momo's internal and external whistle-blowing channels and handling procedures, thereby ensuring the implementation of momo’s rules governing moral code of conduct and Ethical Corporate Management Best Practice Principles, as well as the legal rights and interests of whistle-blowers and counterparties.</p>	

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(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		Whistle-blowing cases may be raised via three channels, which are “Reported in Person,” “Reported by Phone,” and “Reported by Letter.” momo has established an independent whistle-blowing mailbox and hotline, and disclosed an email address to which the Audit Committee (Independent Director) directly has access. If the whistle-blowing case involves a Director or senior supervisor, it will be reported to Independent Directors. A protection system for the whistle-blower will be introduced to realistically keep the whistle-blower's identity and case details confidential, and commitments shall be made to protect the whistle-blower from being punished improperly owing to the whistle-blowing case. In 2020, momo accepted 4 external whistle-blowing cases in total, and 3 whistle-blowing cases were directly reported by employees. There were no involvement in unethical conducts, and such cases were mainly business service arguments and advancements of operating procedures. Under the premise of keeping the identity of the whistle-blower confidential, momo has investigated the whole story and adopted proper enhancement measures to implement ethics transparency acts.	None
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, and had the internal audit unit draw up relevant audit plans based on the evaluation results of the dishonest behavior risks to check the compliance status of the plan to prevent dishonest behaviors or commission a CAP conducting an audit?	V		(3) The company's Ethical Corporate Management Best Practice Principles clearly outlines the policy for prevention of interest conflicts. The discovery of any violations shall be reported to the audit committee, managers, and internal audit supervisors. (4) The company's management has constructed effective accounting and internal control systems for the internal audit personnel to plan and execute reviews ranging from the highest-level risks to the lowest-level risks. The results of the reviews did not find any violations to the good faith principle.	None
(5) Does the company regularly hold internal and external	V		(5) In order to enable employees, managers and Directors to know and	None

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educational trainings on operational integrity?			<p>abide by the good faith principles for corporate, Company presents organization policies and procedures to employees on their first day at work. And, Company regularly holds online courses and tests every year to enhance the concept of good faith and self-discipline. As for business activities with higher unethical risks, the Company has established an effective accounting system and internal control system. There are no external accounts or secret accounts kept, and the systems are reviewed at all times to ensure that their design and implementation continue to be effective.</p> <p>The results of the 2020 implementation are as follows. All employees are required to complete the courses and their scores must reach 80 to pass the test:</p> <table><tr><th>Course name</th><th>Hours</th><th>Sessions</th><th>Description</th></tr><tr><td>Ethical Corporate Management Best Practice Principles for management, moral code of conduct, and trade secrets promotion for in-service employees</td><td>2,373</td><td>1 session</td><td>100% of the in-service employees during the span of the course completed the online course and passed the test</td></tr><tr><td>New recruits' orientation</td><td>2,151</td><td>50 session</td><td>100% of the reported new employees completed the orientation</td></tr></table>	Course name	Hours	Sessions	Description	Ethical Corporate Management Best Practice Principles for management, moral code of conduct, and trade secrets promotion for in-service employees	2,373	1 session	100% of the in-service employees during the span of the course completed the online course and passed the test	New recruits' orientation	2,151	50 session	100% of the reported new employees completed the orientation	
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3. Implementation of Complaint Procedures (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received? (2) Has the Company established the standard operating procedures for investigations after accepting reports, the follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	V		<p>When the company's directors, managers, employees, and de facto controllers of the company discover any cases of good faith principle violations, they shall actively report the violations to the internal auditing department. The company shall keep the reporter's identity and report content confidential. If the reported cases are confirmed to violate the good faith principle after conscientious investigation, the company shall administer penalties based on the severity of the violations.</p>	None												

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(3) Does the company provide proper whistleblower protection?				
4. Strengthening information disclosure Does the company disclose its Ethical Corporate Management Best Practice Principles and the results of its implementation on the company's website and MOPS?	V		<p>(1) The Company website has disclosed Ethical Corporate Management Best Practice Principles, Measures for Handling Cases of Illegal and Unethical or Dishonest Conduct and has disclosed the implementations thereof.</p> <p>(2) momo.com Inc. avoids trading with entities with records of dishonest behavior in its business activities, and clearly lays out best practice clause in related commercial contracts. The internal audit division is responsible for auditing whether there are internal breaches of good faith, and makes regular reports to the Board of Directors, while drafting policy to avoid conflicts of interest in the best practice principles. Where violations are found, they shall be reported to the Audit Committee, managers, internal audit supervisors or other relevant parties.</p> <p>To provide employees better understanding of their rights and Company actions and policies, and in addition to trainings on ethical corporate management, and best practice principles for new employees (attended by 2,373 employees during 2020), special e-mail and contact window for employee complaints has been set up to provide a safe and completely confidential channel to convey their opinions.</p>	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). None				